

MAR 13 2013

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## SENATE RESOLUTION

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REQUESTING THE AUDITOR TO CONDUCT A STUDY OF THE REGULATION OF  
UNACCREDITED DEGREE GRANTING INSTITUTIONS IN THE STATES.

1       WHEREAS, the Legislature finds that obtaining a college  
2 degrees can cost tens of thousands of dollars and often  
3 represents a significant commitment of a family's financial  
4 resources; and

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6       WHEREAS, the United States Department of Education relies,  
7 among other things, on an institution's accreditation from a  
8 recognized accrediting agency to determine eligibility for  
9 certain federal funds; and

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11       WHEREAS, many employers require a degree from an accredited  
12 educational institution as a condition of employment; and

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14       WHEREAS, many educational institutions will not recognize a  
15 student's degrees or credits unless the degree or credits were  
16 earned through an accredited institution; and

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18       WHEREAS, prospective students may be unaware of the  
19 significance of an institution's accreditation status when  
20 selecting a college or university, particularly if the  
21 institution offers a degree through distance education; and

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23       WHEREAS, the State of Hawaii is one of a small number of  
24 states that does not license, approve, or prohibit unaccredited  
25 degree-granting institutions; and

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27       WHEREAS, unaccredited degree granting universities and  
28 colleges that operate in the State are subject to the  
29 Unaccredited Degree Granting Institutions law, codified in  
30 chapter 446E, Hawaii Revised Statutes; and

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32       WHEREAS, the State Office of Consumer Protection has been  
33 active in enforcing chapter 446E, Hawaii Revised Statutes,  
34 through the filing of numerous lawsuits; and



1 WHEREAS, House Bill No. 1200, H.D. 2 (2013), proposes,  
2 among other things, to revise the state unaccredited degree  
3 granting institution law, chapter 446E, Hawaii Revised Statutes,  
4 by transferring oversight to the Postsecondary Education  
5 Commission; and  
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7 WHEREAS, section 26H-6, Hawaii Revised Statutes, requires  
8 the Auditor to review proposals to regulate professions,  
9 vocations, or occupations that are currently unregulated and to  
10 assess alternative forms of regulation; and  
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12 WHEREAS, although unaccredited degree granting institutions  
13 are currently subject to chapter 446E, Hawaii Revised Statutes,  
14 and unaccredited degree granting institutions may not be  
15 traditionally considered a profession or vocation, a sunrise  
16 analysis under chapter 26H, Hawaii Revised Statutes, may be  
17 useful in evaluating the current and alternative forms of  
18 regulation; now, therefore,  
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20 BE IT RESOLVED by the Senate of the Twenty-seventh  
21 Legislature of the State of Hawaii, Regular Session of 2013,  
22 that the Auditor is respectfully requested to conduct a sunrise  
23 review of the regulation of unaccredited degree granting  
24 institutions, as proposed under House Bill No. 1200, H.D. 2  
25 (2013), including an assessment of the current and alternative  
26 forms of regulation, pursuant to section 26H-6, Hawaii Revised  
27 Statutes; and  
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29 BE IT FURTHER RESOLVED that the Auditor is requested that  
30 its review include:  
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- 32 (1) An estimate of the number of unaccredited degree  
33 granting institutions operating under chapter 446E,  
34 Hawaii Revised Statutes;  
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- 36 (2) An estimate of the number of unaccredited degree  
37 granting institutions physically located in the State;  
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- 39 (3) An estimate of the number of students enrolled in each  
40 unaccredited degree granting institution;  
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- 42 (4) A review of the level of compliance by unaccredited  
43 degree granting institutions with chapter 446E, Hawaii  
44 Revised Statutes, including a review of:



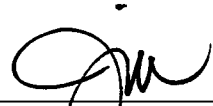
- (A) The types of enforcement actions brought by the Office of Consumer Protection; and
  - (B) The number of enforcement actions brought by the Office of Consumer Protection;
- (5) A review of the laws governing unaccredited degree granting institutions in other states, including those state laws that require all degree granting institutions to be accredited;
  - (6) A review of best practices available for the regulation of unaccredited degree granting institutions;
  - (7) A determination of whether regulation of unaccredited degree granting institutions should also apply to online unaccredited degree granting institutions regardless of whether the institutions are:
    - (A) Located in Hawaii; or
    - (B) Located out-of-state, but enroll students who are Hawaii residents; and
  - (8) An examination of the findings in the 1993 report of the Legislative Reference Bureau, entitled *Private Accreditation and State Authorization of Degree Granting and Non-Degree Granting Limitations in Hawaii*, to determine whether the recommendations in the report were carried out; and

BE IT FURTHER RESOLVED that the Auditor is requested to submit a report of its findings and recommendations to the Legislature not later than twenty days prior to the convening of the Regular Session of 2014; and

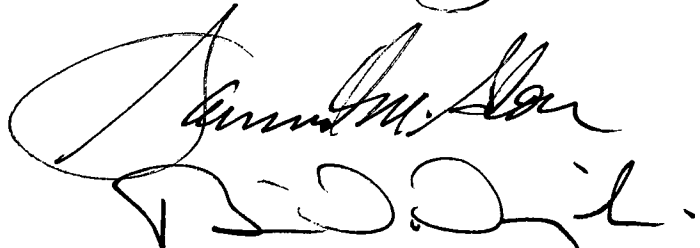


1 BE IT FURTHER RESOLVED that certified copies of this  
2 Resolution be transmitted to the Auditor and the Director of  
3 Commerce and Consumer Affairs.  
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OFFERED BY:

  
Michelle Sidani

~~Michelle Sidani~~

  
Arvind Y. G.

